



IDEA CELLULAR LIMITED

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976

Unaudited Consolidated Financial Results for the three months ended 30-June-2018

(₹ Mn, except per share data)

Particulars	Quarter Ended			Year Ended
	30-Jun-18 Unaudited	31-Mar-18 Audited (refer note 8)	30-Jun-17 Unaudited	31-Mar-18 Audited
INCOME				
Service Revenue	58,664	61,210	81,550	282,420
Sale of Trading Goods	3	5	24	51
Other Operating Income	225	158	91	318
REVENUE FROM OPERATIONS	58,892	61,373	81,665	282,789
Other Income	1,414	2,504	152	3,530
TOTAL INCOME	60,306	63,877	81,817	286,319
EXPENSES				
Cost of Trading Goods	4	6	35	73
Employee Benefit Expenses	3,920	2,595	4,195	15,430
Network Expenses and IT Outsourcing Costs	26,427	21,429	26,883	97,334
License Fees and Spectrum Usage Charges	5,961	5,327	8,666	28,667
Roaming & Access Charges	7,744	7,109	10,690	35,358
Marketing, Content, Customer Acquisition & Service Costs	6,236	8,167	10,017	36,090
Finance Costs	15,258	12,246	11,691	48,130
Depreciation & Amortisation Expenses	20,924	20,854	20,679	84,091
Other Expenses	2,006	2,269	2,425	9,362
TOTAL EXPENSES	88,480	80,002	95,281	354,535
LOSS BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURE AND ASSOCIATE	(28,174)	(16,125)	(13,464)	(68,216)
Add: Share in Profit / (Loss) of Joint Venture and Associate (net)	598	745	818	3,224
LOSS BEFORE TAX AND EXCEPTIONAL ITEMS	(27,576)	(15,380)	(12,646)	(64,992)
Exceptional Items				
- Gain on sale of ICISL (refer note 2)	33,645	-	-	-
PROFIT/(LOSS) BEFORE TAX	6,069	(15,380)	(12,646)	(64,992)
Tax expense:				
- Current tax	157	314	288	1,234
- Deferred tax (refer note 2)	3,347	(6,072)	(4,785)	(24,544)
PROFIT/(LOSS) AFTER TAX	2,565	(9,622)	(8,149)	(41,682)
Items not to be reclassified to profit or loss in subsequent periods:				
- Re-measurement gains/ (losses) of defined benefit plans	108	489	(15)	442
- Income tax effect	(38)	(168)	5	(152)
- Group's share in other comprehensive income of joint venture and associate	0	(5)	-	(7)
TOTAL COMPREHENSIVE INCOME/(LOSS)	2,635	(9,306)	(8,159)	(41,399)
Paid up Equity Share Capital (Face value ₹ 10 per share)	43,599	43,593	36,064	43,593
Reserves excluding Revaluation Reserve				229,031
Earnings Per Share for the period (₹)				
- Basic	0.57	(2.45)	(2.28)	(11.36)
- Diluted	0.57	(2.45)	(2.28)	(11.36)


IDEA CELLULAR LIMITED

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976
 Unaudited Consolidated Financial Results for the three months ended 30-June-2018

Segmental Reporting

₹ Mn

Particulars	Quarter Ended			Year Ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
	Unaudited	Audited (refer note 8)	Unaudited	Audited
Segment Revenue				
Revenue from Operations from each segment				
Mobility	57,453	59,620	79,728	275,105
International Long Distance	1,347	1,375	1,599	6,129
Passive Infrastructure (Refer Note 2)	1,842	2,271	2,828	11,211
Total	60,642	63,266	84,155	292,445
Less: Inter Segment Eliminations	(1,750)	(1,893)	(2,490)	(9,656)
Revenue from Operations	58,892	61,373	81,665	282,789
Segment Results				
Profit / (Loss) from Operations before Other Income, Finance costs and Tax from each segment				
Mobility	(15,198)	(7,630)	(2,483)	(27,390)
International Long Distance	357	292	105	692
Passive Infrastructure (Refer Note 2)	511	956	453	3,083
Loss from Operations before Other Income, Finance Costs and Tax	(14,330)	(6,382)	(1,925)	(23,615)
Unallocable Income	1,414	2,503	152	3,529
Finance Costs	(15,258)	(12,246)	(11,691)	(48,130)
Loss before Exceptional Items, Tax and share in profit / (loss) of Joint Venture and Associate	(28,174)	(16,125)	(13,464)	(68,216)
Segment Assets				
Mobility	856,033	866,792	865,755	866,792
International Long Distance	711	1,044	803	1,044
Passive Infrastructure # (Refer Note 2)	11,837	25,379	20,443	25,379
Unallocated	160,164	92,863	21,314	92,863
Gross Assets	1,028,745	986,078	908,315	986,078
Less: Inter Segment Eliminations	(44)	(306)	(1,562)	(306)
Total Assets	1,028,701	985,772	906,753	985,772
Segment Liabilities				
Mobility	752,976	710,585	657,143	710,585
International Long Distance	375	232	726	232
Passive Infrastructure (Refer Note 2)	-	1,973	2,877	1,973
Unallocated	185	663	8,439	663
Gross Liabilities	753,536	713,453	669,185	713,453
Less: Inter Segment Eliminations	(44)	(306)	(1,562)	(306)
Total Liabilities	753,492	713,147	667,623	713,147

Includes the Group's Investment in Indus Towers Limited of ₹ 11,837 Mn (Jun'17: ₹ 12,315 Mn, Mar'18: ₹ 14,712 Mn)

Notes

1. The above unaudited consolidated financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 30th July 2018.
2. Pursuant to Share Purchase Agreement entered into by the Company with ATC Telecom Infrastructure Private Limited (ATC) for sale of its entire shareholding in Idea Cellular Infrastructure Services Limited (ICISL), a wholly owned subsidiary to ATC, becoming effective on 31st May, 2018 the Company has received a cash consideration, of ₹ 41,340 Mn out of the total expected consideration of ₹ 42,840 Mn which is subject to further working capital adjustments to be finalized within the stipulated period as per the agreement. The balance consideration is likely to be received within three months from the effective date.

Accordingly, the Company has recognized a gain of ₹ 33,645 Mn (net of expenses of ₹ 9 Mn) being difference between the interim consideration and net assets of ICISL included in the consolidated financial statements as of the effective date. The gain is disclosed as an exceptional item in the consolidated financial results. The related tax impact of the above is ₹ 13,235 Mn.

3. Pursuant to transaction entered into by the Company, along with its wholly owned subsidiary Aditya Birla Telecom Limited (ABTL), Bharti Airtel Limited and Vodafone Group for merging Indus Towers Limited (Indus) into Bharti Infratel Limited (BIL) which is subject to requisite regulatory / corporate approvals and certain closing conditions, Idea Group has an option to either sell its 11.15% stake to BIL before the merger based on a predetermined pricing formula, or receive shares on merger of the enlarged merged entity at an agreed share exchange ratio, as a part of the merger scheme. Till the time the decision on the option is taken, Indus continues to be accounted as joint venture of the Group and reflected as a non-current investment.
4. Effective 1st April 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers'. In accordance with the first time adoption options available in the standard, the Company has chosen the cumulative effect option and accordingly, the comparatives have not been restated in line with the requirement of the standard. The effect on adoption of the said standard is not significant on these consolidated financial results.

5. Unaudited financial results of Idea Cellular Limited (Standalone) :-

₹ Mn

Particulars	Quarter ended			Year ended
	30-June-18 Unaudited	31-Mar-18 Audited (Refer Note 8)	30-June-17 Unaudited	31-Mar-18 Audited
Revenue from Operations	58,268	60,336	80,541	278,286
Profit / (Loss) before Tax	8,888	(18,197)	(14,074)	(72,967)
Net Profit / (Loss) after Tax	5,779	(11,928)	(9,228)	(47,808)

6. On 8th January 2013, Department of Telecommunications (DoT) issued demand notices towards one time spectrum charges (OTSC):
 - for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1st July 2008 to 31st December 2012, amounting to ₹ 3,691 Mn, and
 - for spectrum beyond 4.4 Mhz in respective service areas effective 1st January 2013 till expiry of the period as per respective licenses, amounting to ₹ 17,444 Mn.

In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT, not to take any coercive action until the matter is further heard. No effects have been given in the financial results for the above.

7. The Department of Telecommunications (DoT) vide letters dated 9th July 2018 and 26th July 2018 has taken on record the merger of Vodafone Mobile Services Limited (VMSL) and Vodafone India Limited (VIL) with Idea Cellular Limited (the Company) consequent to the sanction of the scheme of amalgamation of the aforesaid companies by the Mumbai and Ahmedabad benches of the Hon'ble National Company Law Tribunal (NCLT). The DoT had directed the Company vide letter of 9th July 2018 to pay an amount of ₹ 39,263 Mn towards the differential between the entry fee paid and the market determined price of up to 4.4 Mhz spectrum that was assigned to VMSL. This differential is on a pro-rata basis from the date of approval of the said scheme by the Hon'ble NCLT Mumbai Bench i.e 19th January 2018 till the remaining validity period of the respective licenses. The Company has deposited the amount under protest, which is subject to final determination and outcome.

The Company was also asked to submit Bank Guarantees amounting to ₹ 33,224 Mn towards OTSC demand referred to in Note 6 for the spectrum holding beyond 4.4 Mhz (based on latest auction prices) even though the matter is currently sub-judice before the Hon'ble High Court of Bombay. The Company has submitted the bank guarantees also under protest.

8. The financial results for the quarter ended 31st March 2018 is the balancing figure between audited results for the full financial year and the published year to date figures upto the third quarter of the financial year.
9. Previous periods' figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of
IDEA CELLULAR LIMITED

Date: 30th July, 2018
Place: Mumbai

Himanshu Kapania
Managing Director



IDEA CELLULAR LIMITED
 Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976
 Unaudited Financial Results for the quarter ended 30-June-2018

(₹ Mn, except per share data)

Particulars	Quarter ended			Year ended
	30-Jun-18 Unaudited	31-Mar-18 Audited (refer note 6)	30-Jun-17 Unaudited	31-Mar-18 Audited
INCOME				
Service Revenue	58,045	60,194	80,451	278,000
Other Operating Income	223	142	90	286
REVENUE FROM OPERATIONS	58,268	60,336	80,541	278,286
Other Income	1,140	2,281	105	2,982
TOTAL INCOME	59,408	62,617	80,646	281,268
EXPENSES				
Employee Benefit Expenses	3,600	2,244	3,797	13,968
Network Expenses and IT Outsourcing Costs	26,418	21,482	26,847	97,449
License Fees and Spectrum Usage Charges	5,961	5,327	8,666	28,667
Roaming & Access Charges	7,744	7,109	10,690	35,358
Marketing, Content, Customer Acquisition & Service Costs	6,547	8,491	10,325	37,298
Finance Costs	15,251	13,115	11,812	49,245
Depreciation & Amortisation Expenses	20,927	20,857	20,240	83,161
Other Expenses	1,908	2,189	2,343	9,089
TOTAL EXPENSES	88,356	80,814	94,720	354,235
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX	(28,948)	(18,197)	(14,074)	(72,967)
Exceptional Items:				
- Gain on sale of ICISL (refer note 2)	37,836	-	-	-
PROFIT/ (LOSS) BEFORE TAX	8,888	(18,197)	(14,074)	(72,967)
Tax expense:				
- Deferred tax (refer note 2)	3,109	(6,269)	(4,846)	(25,159)
PROFIT / (LOSS) AFTER TAX	5,779	(11,928)	(9,228)	(47,808)
Items not to be reclassified to profit or loss in subsequent periods:				
- Re-measurement gains/(losses) of defined benefit plans	107	474	(12)	428
- Income tax effect	(37)	(164)	4	(148)
TOTAL COMPREHENSIVE INCOME / (LOSS)	5,849	(11,618)	(9,236)	(47,528)
Paid up Equity Share Capital (Face value ₹ 10 per share)	43,599	43,593	36,064	43,593
Reserves excluding Revaluation Reserve				213,102
Earnings Per Share for the period (₹)				
- Basic	1.33	(3.01)	(2.56)	(12.95)
- Diluted	1.33	(3.01)	(2.56)	(12.95)

Notes

1. The above unaudited financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 30th July, 2018.
2. Pursuant to Share Purchase Agreement entered into by the Company with ATC Telecom Infrastructure Private Limited (ATC) for sale of its entire shareholding in Idea Cellular Infrastructure Services Limited (ICISL), a wholly owned subsidiary to ATC, becoming effective on 31st May, 2018 the Company has received a cash consideration of ₹ 41,340 Mn out of the total expected consideration of ₹ 42,840 Mn which is subject to further working capital adjustments to be finalized within the stipulated period as per the agreement. The balance consideration is likely to be received within three months from the effective date.

Accordingly, the Company has recognized a gain of ₹ 37,836 Mn (net of expenses of ₹ 9 Mn) being difference between the interim consideration and the cost of investment of ICISL as of the effective date. The gain is disclosed as an exceptional item in the financial results. The related tax impact of the above is ₹ 13,235 Mn.

3. Effective 1st April 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers'. In accordance with the first time adoption options available in the standard, the Company has chosen the cumulative effect option and accordingly, the comparatives have not been restated in line with the requirement of the standard. The effect on adoption of the said standard is not significant on these results.
4. On 8th January 2013, Department of Telecommunications (DoT) issued demand notices towards one time spectrum charges:
 - for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1st July 2008 to 31st December 2012, amounting to ₹ 3,691 Mn, and
 - for spectrum beyond 4.4 Mhz in respective service areas effective 1st January 2013 till expiry of the period as per respective licenses, amounting to ₹ 17,444 Mn.

In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT, not to take any coercive action until the matter is further heard. No effects have been given in the financial results for the above.

5. The Department of Telecommunications (DoT) vide letters dated 9th July 2018 and 26th July 2018 has taken on record the merger of Vodafone Mobile Services Limited (VMSL) and Vodafone India Limited (VIL) with Idea Cellular Limited (the Company) consequent to the sanction of the scheme of amalgamation of the aforesaid companies by the Mumbai and Ahmedabad benches of the Hon'ble National Company Law Tribunal (NCLT). The DoT had directed the Company vide letter of 9th July 2018 to pay an amount of ₹ 39,263 Mn towards the differential between the entry fee paid and the market determined price of up to 4.4 Mhz spectrum that was assigned to VMSL. This differential is on a pro-rata basis from the date of approval of the said scheme by the Hon'ble NCLT Mumbai Bench i.e 19th January 2018 till the remaining validity period of the respective licenses. The Company has deposited the amount under protest, which is subject to final determination and outcome.

The Company was also asked to submit Bank Guarantees amounting to ₹ 33,224 Mn towards OTSC demand referred to in Note 4 for the spectrum holding beyond 4.4 Mhz (based on latest auction prices) even though the matter is currently sub-judice before the Hon'ble High Court of Bombay. The Company has submitted the bank guarantees also under protest.

6. The financial results for the quarter ended 31st March 2018 is the balancing figure between audited results for the full financial year and the published year to date figures upto the third quarter of the financial year.
7. Previous periods' figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of
IDEA CELLULAR LIMITED

Date: 30th July, 2018
Place: Mumbai

Himanshu Kapania
Managing Director